

## Corporate Governance Rating

This report has been prepared by JCR-ER in compliance with the regulations of Capital Markets Board of Turkey

**Publication Date:** 24/02/2023  
**Sector:** Real Estate Investment Trust (REIT)

## Halk Gayrimenkul Yatırım Ortaklığı A.Ş.

### Ratings

Overall Score	<b>9.23</b>	AAA(Trk)/aa (Stable)
Shareholders	<b>9.12</b>	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	<b>9.55</b>	AAA(Trk)/aaa (Stable)
Stakeholders	<b>9.44</b>	AAA(Trk)/aa (Stable)
Board of Directors	<b>9.00</b>	AAA(Trk)/aa (Stable)

### Company Profile

<b>Trade Name</b>	Halk Gayrimenkul Yatırım Ortaklığı A.Ş.
<b>Address</b>	Şerifali Çiftliği Tatlısu Mahallesi, Ertuğrulgazi Sokak, No:1, 34774 Yukarı Dudullu-Ümraniye / İSTANBUL
<b>Chairman</b>	Mr. Ergin Kaya
<b>General Manager</b>	Mr. Erdal Bekin
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## Company Overview

**Halk Gayrimenkul Yatırım Ortaklığı A.Ş.** (Halk GYO or Company), (credit ratings by JCR Eurasia Rating on April 26, 2022: **"AA+ (tr)/Stable"** on the Long-Term National Scale and **"J1+ (tr) Stable"** on the Short Term National Scale) was founded in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. Halk GYO's shares have been listed on the Borsa Istanbul (BIST) stock exchange with the ticker symbol of 'HLGYO' since February 2013 with a current free-float rate of 20.63% whilst the Halkbank is the controlling shareholder with a rate of 79.33%.

The main operating field of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. is to operate a portfolio consisting of real estate, real estate projects, rights based on real estate, capital market instruments and other assets and rights to be determined by the Capital Market Board ("CMB"). The Company's operating principles with respect to portfolio investment policies and management restrictions in compliance with the regulations of the CMB and relevant legislation. Investment property portfolio of the Company consists of lands, ongoing project and rental properties which are used as bank branches, bank headquarter and hotels.

The Company's Board of Directors consists of six members, including the General Manager and two independent members whilst five functional committees have been established under the Board of Directors; Audit, Corporate Governance, Early Deduction of Risk, Remuneration and Sustainability. The total number of employees across the Company's operations was 45 as of FY2022. BIST Indices that the Company is included can be listed as BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES-100 / BIST ALL SHARES / BIST REAL EST. INV. TRUSTS / BIST FINANCIALS.

### Strengths

- Providing satisfactory transparency to domestic and international stakeholders through comprehensive and effective information on the website,
- Well-prepared annual report in accordance with regulatory requirements,
- Existence of two independent members in the Board of Directors meeting qualifications in the communique,
- Well established committee structure with clearly defined responsibilities and independent status of committee chairs,
- Presence of a comprehensive and effective risk management, internal control system and internal audit activities structured in accordance with international practices, principles and organizational framework,
- Prioritizing occupational safety and supporting employees with trainings for their professional and personal development.

### Constraints

- Absence of internal procedures to extend the exercise of minority rights for shareholders holding less than 5% of the capital,
- Lack of disclosure of the board members and the top managers' remunerations per person,
- The privilege on the A group shares to determine majority of board members,
- Non-existence of a female member in the Board and the lack of a policy in this regard,
- The insurance amount against the losses to be caused by the faults of the members of the board of directors during their duties has not exceeded 25% of the Company's capital,
- Absence of an incentive system based on performance evaluation for Board members.